

CASE SUMMARY

INFORMATION ON PROPOSED SETTLEMENT OF LITIGATION

CASE NAME	William McNamara v. County
CASE NUMBER	BC 362264
COURT	Los Angeles Superior Court Central
DATE FILED	June 7, 2005
COUNTY DEPARTMENT	Sheriff's Department
PROPOSED SETTLEMENT AMOUNT	\$900,000
ATTORNEY FOR PLAINTIFF	Sam Paz and Sonia Mercado
COUNTY COUNSEL ATTORNEY	Roger H. Granbo
NATURE OF CASE	<p>On June 7, 2005, William McNamara was an inmate in the Los Angeles County Jail system when he was beaten by another inmate, who was later convicted of attempted murder as a result of his attack on Mr. McNamara. Mr. McNamara sustained a brain injury during the attack. Mr. McNamara claims that he was misclassified and that Sheriff's personnel failed to properly supervise the inmates.</p> <p>The Sheriff's Department followed all appropriate classification procedures and the Deputies on duty had no prior</p>

knowledge that Mr. McNamara was in any danger. However, due to the severity of Mr. McNamara's injuries, a reasonable settlement is appropriate.

Due to the risks and uncertainties of litigation, a full and final settlement of the case in the amount of \$900,000 is recommended.

PAID ATTORNEY FEES, TO DATE	\$193,454
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PAID COSTS, TO DATE	\$30,688
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SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

FOR THE SOLE CONSIDERATION OF nine hundred thousand and 00/100 dollars, (\$900,000.00), (\$459,000.00 payable to HARTFORD CEBSCO, for an annuity to be written and issued by HARTFORD LIFE INSURANCE CO. payable to "The Special Needs Trust of William Sean McNamara" as outlined in Exhibit "A" attached hereto, and the balance of \$441,000.00 payable to Plaintiffs and their attorneys), the undersigned Plaintiff THADD McNAMARA, on his own behalf and as Guardian Ad Litem on behalf of Plaintiff WILLIAM SEAN McNAMARA, (hereinafter referred to as "Plaintiffs") being of lawful age, does hereby, and for his heirs, executors, administrators, successors and assigns, releases, acquits and forever discharges the COUNTY OF LOS ANGELES, SHERIFF LEE BACA, SARGENT DUSTIN STILLWELL, and DEPUTY TIMOTHY SCHULTZ, their employees, agents, servants, successors, heirs, executors, administrators and all other persons, firms, corporations, associations or partnerships, or any other entity connected therewith, (hereinafter "Defendants") of and from any and all claims, actions, causes of action, demands, rights, damages, costs, loss of service, expense and/or compensation, of any nature whatsoever which the undersigned now has or which may hereafter accrue to the undersigned on account of, or in any way growing out of, any and all known or unknown, foreseen and unforeseen, injuries and/or damages and the consequences thereof resulting from, or to result from, the incident, casualty or event which occurred on or about June 7, 2005 in Los Angeles County, and which has resulted in a claim and/or lawsuit being brought by the undersigned and against the parties as described in Case Number BC362264 filed in the Los Angeles County Superior Court, and the individuals and entities involved in the negotiations between the parties before and after the filing of the action, all of which are released hereunder.

The Parties acknowledge that all liens or other claims of third parties regarding this incident have been disclosed and plaintiffs agree to hold harmless and indemnify Defendants of and for any and all liens or other claims of third parties which have been or may be asserted for services which have been or may be rendered on behalf of the Plaintiff(s) regarding this incident.

The Plaintiffs agree that they have received no inducement, promise or offer of any kind whatsoever for the consideration delineated hereinabove, and that this Settlement Agreement and Release of All Claims is executed without reliance on any statement or representation by those

released or their representatives, or anyone, other than the sole consideration described herein.

It is understood and agreed that this settlement is the compromise of a doubtful and disputed claim and that the consideration furnished is not to be construed as an admission of liability on the part of those released, and that those parties have denied liability on the claim herein and intend merely to avoid litigation and buy their peace by this compromise.

The compromise and settlement which forms the basis of this Settlement Agreement and Release of All Claims has been arrived at after thorough bargaining and negotiation and represents a final, mutually agreeable compromise.


The Plaintiffs agree that all rights under Section 1542 of the Civil Code of California and of any similar law of any state or territory of the United States are hereby expressly waived. Section 1542 reads as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

The undersigned agrees that this Settlement Agreement and Release of All Claims, and Exhibit "A" thereto, contains the entire agreement between the parties hereto and that the terms of this release are contractual and not a mere recital.

The undersigned further agrees that he has read and fully understood this Settlement Agreement and Release of All Claims and that the opportunity has been afforded to discuss the terms and contents of said Settlement and Release with legal counsel and/or that such a discussion with legal counsel has occurred.

CAUTION: READ BEFORE SIGNING

DATED: 5-5-08



THADD MCNAMARA, as an individual
and as Guardian ad Litem for William Sean
McNamara, and Releasor

This Settlement Agreement and Release of All Claims has
been read and approved as to form and content.

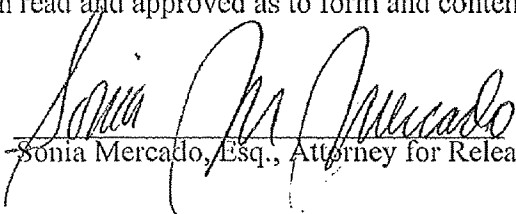
By: 
Sonia Mercado, Esq., Attorney for Releasing Party

EXHIBIT "A"**A. Payments**

The County of Los Angeles, referred to as "the Defendant" in this document entitled Exhibit "A", has agreed to provide William S. McNamara, by and through his Guardian ad Litem, Thaddeus McNamara, hereafter referred to as "the Plaintiff" in Exhibit "A", with the periodic payments as outlined below. The Defendant will purchase a structured settlement annuity from Hartford Life Insurance Company, an annuity company rated A+ Class 15 Superior, as determined by A.M. Best Company.

- (1) Periodic payments, made according to the following schedule:

Periodic payments payable to the
"Trustee of the William S. McNamara
Special Needs Trust"

Monthly Income:

Commencing 07/01/2008

\$3,700.00 payable every month for 2 years, 6 months

Commencing 01/01/2011

\$3,000.00 payable every month for 2 years

Commencing 01/01/2013

\$2,500.00 payable every month for 5 years

Lifetime Monthly Income:

Commencing 01/01/2018

\$2,523.00 payable every month for life, with 5 years guaranteed

All sums and periodic payments set forth in the section entitled Payments constitute damages on account of personal injuries or sickness, arising from an occurrence, within the meaning of Section 104(a)(2) of the Internal Revenue Code of 1986, as amended.

The Plaintiff agrees, however, that he has not received or relied upon any advice or representation as to the tax effect of this Agreement. In accordance therewith, the Plaintiff agrees to hold harmless the Defendant from any losses to Plaintiff incurred, including any loss by reason of a determination by the Internal Revenue Service or other tax authority that said settlement monies do not constitute, in whole or part, damages on account of personal injury or sickness.

B. Qualified Assignment

The Parties hereto acknowledge and agree that the Defendant may make a "qualified assignment" within the meaning of Section 130(c), of the Internal Revenue code of 1986, as amended, to Hartford Comprehensive Employee Benefit Service Company, (hereinafter referred to as "Assignee(s)") of the Defendant's liability to make the periodic payments described in paragraph A(1) herein.

Such assignment, if made, shall be accepted by the Plaintiff without right of rejection and shall completely release and discharge the Defendant from such obligations hereunder as are assigned to Assignee(s).

The obligation assumed by Assignee(s) with respect to any required payment shall be discharged upon the mailing on or before the due date of a valid check, in the amount specified to the address of record.

The Plaintiff hereto expressly understands and agrees that upon the qualified assignment being made by the Defendant to Assignee(s) as authorized by this agreement, all of the duties and responsibilities to make the periodic payments otherwise imposed upon the Defendant by this agreement shall instead be binding upon Assignee(s), and the Defendant shall be released from all obligations to make said periodic payments, and Assignee(s) shall at all times remain directly and solely responsible for and shall receive credit for all such payments made to Plaintiff. It is further understood and agreed that, upon such a qualified assignment, Assignee(s) assume all of the duties and responsibilities of the Defendant to make the periodic payments.

The Plaintiff agrees that:

(1) Periodic payments under this Settlement Agreement from Assignee(s) cannot be accelerated, deferred, increased or decreased by the Plaintiff.

(2) The Assignee's obligation for payment of the periodic payments shall be no greater than the obligation of the person or entity originally liable (whether by suit or agreement) for payment and from whom the obligation is assigned.

C. Plaintiff's Right to Payments

The Defendant and/or Assignee(s) shall not segregate or set aside any of its assets to fund the payments to Plaintiff required herein. Payments hereunder cannot be accelerated, deferred, increased or decreased by the Plaintiff and/or Assignee(s) and no part of the payment(s) called for herein or any assets of the Defendant and/or Assignee(s) is to be subject to execution of any legal process for any obligation in any manner. Furthermore, the Plaintiff shall not have the power to sell or mortgage or encumber the same, or any part thereof, anticipate the same, or any part thereof, by assignment or otherwise.

D. Right to Purchase an Annuity

Plaintiff agrees that the Defendant and/or Assignee(s) shall have the right to fund its liability to make periodic payments by purchasing a "qualified funding asset", within the meaning of Section 130(d) of the Code, in the form of an annuity policy from Hartford Life Insurance Company, (hereinafter referred to as "Annuity Carrier(s)").

The Defendant and/or its Assignee(s) shall be the owner of the annuity policy or policies, and shall have all rights of ownership.

The Defendant and/or its Assignee(s) may have Annuity carrier(s) mail payments directly to the Plaintiff. The Plaintiff shall be responsible for maintaining the currency of the proper mailing address and mortality information to Assignee(s).

E. Plaintiff's Beneficiary

Any payments to be made after the death of the Plaintiff pursuant to the terms of this Settlement Agreement and Release shall be made to the William S. McNamara Special Needs Trust.

Plaintiff: William Sean McNamara, by and through
His Guardian ad Litem, Thaddeus McNamara

By: _____

Thaddeus McNamara

Plaintiff's Attorney: Sonia Mercado

By: _____

Sonia Mercado